



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: SB 283 SLS 09RS 580

Bill Text Version: REENGROSSED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 29, 2009	6:21 PM	Author: WALSWORTH
Dept./Agy.: Economic Development		
Subject: Changes the qualifying criteria of a mega-project		Analyst: Deborah Vivien

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Provides for eligibility for monies from the Louisiana Mega-Project Development Fund. (gov sig)

Current law required a project qualifying for funding through the LA Mega-Project Development Fund to meet ALL the following conditions: create at least 500 new direct jobs to the state, have a minimum total non-state investment of \$100 million, and provide a substantial return on investment as measured by projected tax revenue. An eligible project could also be a military or federal installation important to the Louisiana economy that may be subject to a base realignment and closure, and could be the purchase of land for a mega-project. The state’s portion of the investment is limited to 30% of the total project cost. Proposed law defines a mega-project as either creating 500 new direct jobs OR requiring a minimum total non-state investment of \$500 million (up from \$100 million). The bill also specifically defines a mega-project as one that re-creates or saves at least 500 direct jobs in the state through the transfer of ownership of a facility that has been closed or is at risk of closure due to a bankruptcy proceeding. Non-state investment is defined through a cooperative endeavor agreement and state investment in federal/military projects or land purchases may exceed 30% of total project cost.

EXPENDITURES	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2009-10	2010-11	2011-12	2012-13	2013-14	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

This bill alters the criteria required for a project to attain funding through the LA Mega-Project Development Fund which appears to allow more lenient access to the fund, and specifically allows the Fund to be used to finance ownership transfers of facilities closing or near to closing due to bankruptcy.

Currently, the Fund’s balance is about \$415 million with \$145.5 million already appropriated through a prior year capital outlay bill, though these appropriated funds are not tied to any project(s) specified in the capital outlay appropriation. The cooperative endeavor agreements needed for use of these funds will require the approval of the Joint Legislative Committee on the Budget. Use of the remainder of the fund or about \$269.5 million would require appropriation, and approval of the corresponding cooperative endeavor agreement(s).

Changing the criteria for use of the funds does not impact the expenditure of the funds until projects are approved. This bill will have no immediate fiscal impact to the state but will allow the funds to be more readily accessed for projects that would not meet the Fund’s original requirements.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	Gregory V. Albrecht Chief Economist